

SNAME / ICMES

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“CURRENT TRENDS – PORT STATE CONTROL”

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GOOD AFTERNOON LADIES AND GENTLEMEN, IT IS A PLEASURE FOR ME TO BE HERE TODAY TO ADDRESS THIS CONFERENCE. I APPRECIATE THE OPPORTUNITY TO SPEAK TO YOU ABOUT OUR PORT STATE CONTROL EFFORTS. I’LL BE PROVIDING YOU WITH AN OVERVIEW OF THE U.S. COAST GUARD’S PORT STATE CONTROL PROGRAM INCLUDING:

- HOW WE TARGET HIGH RISK VESSELS
- PROGRAM TRENDS
- INTERNATIONAL PSC DATA SHARING-TRANSPARENCY
- FUTURE PLANS-IMPROVEMENTS

FOR THOSE OF YOU UNFAMILIAR WITH THE TERMS PORT STATE AND FLAG STATE – A FLAG STATE IS A COUNTRY THAT REGISTERS VESSELS UNDER ITS FLAG AND A PORT STATE IS A COUNTRY RECEIVING CALLS IN ITS PORTS BY VESSELS OF OTHER FLAG STATES.

OF COURSE THE U. S. IS BOTH, BUT IN TERMS OF INTERNATIONAL TRADE, WE'RE PRIMARILY A PORT STATE. WITH FOREIGN FLAG VESSELS CALLING AT A RATIO OF 14 TO 1 VS. U. S. FLAG VESSELS IN FOREIGN TRADE.

PORT STATE CONTROL PROGRAMS ARE DESIGNED TO ENSURE THAT VISITING VESSELS ARE IN COMPLIANCE WITH APPLICABLE INTERNATIONAL CONVENTIONS ON MARITIME SAFETY AND ENVIRONMENTAL PROTECTION.

FOLLOWING A CONGRESSIONAL MANDATE IN 1994, THE U.S. COAST GUARD DEVELOPED A RISK-BASED TARGETING SYSTEM FOR THE IMPLEMENTATION OF OUR PORT STATE CONTROL INITIATIVE. IN DEVELOPING THE RISK ASSESSMENT METHODOLOGY, THE COAST GUARD RECOGNIZED THAT OWNERS AND OPERATORS, CLASSIFICATION SOCIETIES, AND FLAG STATES DIRECTLY INFLUENCE A VESSEL'S OPERATIONAL CONDITION AND COMPLIANCE WITH INTERNATIONAL STANDARDS. SO, WE CONSTRUCTED A FIVE COLUMN TARGETING MATRIX CONSIDERING THE FOLLOWING FACTORS: FLAG, OWNER, CLASS, THE TYPE OF VESSEL AND THE VESSEL'S HISTORY.

POINTS MAY BE ASSIGNED IN EACH OF THE FIVE COLUMNS AND ARE THEN ADDED FOR A TOTAL POINT SCORE. THIS POINT TOTAL DERIVED FROM THE MATRIX ENABLES THE COAST GUARD TO SYSTEMATICALLY DETERMINE THE PROBABLE RISK POSED BY FOREIGN FLAG SHIPS CALLING AT U.S. PORTS AND DETERMINE WHICH SHIPS PORT STATE CONTROL OFFICERS (PSCO'S) SHOULD BOARD ON ANY GIVEN DAY IN ANY GIVEN PORT.

DETENTION DATA COLLECTED SINCE 1995 HAVE ALLOWED US TO TARGET CERTAIN OWNERS, FLAG STATES AND CLASSIFICATION SOCIETIES. TARGETED OWNERS ARE THOSE COMPANIES THAT ARE ASSOCIATED WITH 2 OR MORE DETENTIONS WITHIN THE PREVIOUS TWELVE MONTHS. WE UPDATE THIS LIST OF TARGETED OWNERS AND OPERATORS MONTHLY.

A TARGETED FLAG STATE IS ANY ADMINISTRATION THAT HAS A DETENTION RATIO THAT EXCEEDS THE OVERALL AVERAGE FOR FLAG STATES AND IS ASSOCIATED WITH 2 OR MORE DETENTIONS WITHIN THE PREVIOUS TWELVE MONTHS.

A TARGETED CLASSIFICATION SOCIETY IS ANY CLASS SOCIETY THAT HAS AT LEAST 10 DISTINCT ARRIVALS IN THE PREVIOUS 12 MONTHS AND A DETENTION RATIO ABOVE THE OVERALL AVERAGE OR HAVE LESS THAN 10 DISTINCT ARRIVALS AND ARE ASSOCIATED WITH ANY DETENTIONS OVER THE PREVIOUS 3 YEARS.

IN ADDITION TO THE RESPONSIBILITY OF EACH OF THE THREE ENTITIES MENTIONED, CERTAIN TYPES OF SHIPS POSE A HIGHER RISK DUE TO THE CARGO THEY TRANSPORT; BE IT PASSENGERS OR HAZARDOUS MATERIALS. IN GENERAL, OIL AND CHEMICAL TANKERS, GAS CARRIERS, PASSENGER SHIPS, BULK FREIGHTERS OVER TEN YEARS OLD, AND ANY VESSEL CARRYING LOW VALUE COMMODITIES IN BULK ARE GIVEN A HIGHER PRIORITY.

THE ASSESSMENT OF POTENTIAL RISK ASSOCIATED WITH CLASSIFICATION SOCIETIES HAS BEEN RECOGNIZED TO BE EXTREMELY IMPORTANT. MANY, BUT CERTAINLY NOT ALL, DETENTIONS ARE ASSOCIATED WITH THE CLASS RELATED DEFICIENCIES

IN 1996, 37% OF ALL DETENTIONS WERE RELATED TO CLASS SOCIETY PERFORMANCE, IN 1997-19% AND IN 1998-14%. THIS DOWNWARD TREND IS PROMISING.

IF A DETENTION IS DETERMINED TO BE ASSOCIATED WITH A CLASSIFICATION SOCIETY NON-CONFORMITY, THE CLASSIFICATION SOCIETY IS NOTIFIED WITHIN 30 DAYS OF THEIR ASSOCIATION WITH THE DETENTION, AND ARE GIVEN THE OPPORTUNITY TO SUBMIT AN APPEAL. IF THEY CHOOSE TO APPEAL, ALL ADDITIONAL INFORMATION PRESENTED BY THE CLASSIFICATION SOCIETY IS REVIEWED AND A FINAL DECISION IS REACHED REGARDING THEIR ASSOCIATION WITH THE DETENTION.

OTHER RECENT TRENDS MAY PROVE INTERESTING TO YOU.

IN 1998, WE HAD A TOTAL OF 12,448 PSC EXAMINATIONS CONDUCTED IN THE U.S. 2 OUT OF EVERY 3 EXAMINATIONS THAT WE PERFORMED WAS DONE ON A DRY CARGO VESSEL. THIS MAKES PERFECT SENSE, SINCE DRY CARGO VESSELS COMPRISE THE MAJORITY OF THE WORLD'S COMMERCIAL FLEET. IF ALL OTHER FACTORS ARE KEPT EQUAL, WE WOULD EXPECT THAT THE DRY CARGO WOULD ALSO ACCOUNT FOR A SIMILAR PROPORTION OF DETENTIONS.

INSTEAD, WE FIND THAT DRY CARGO VESSELS ACCOUNT FOR EVEN A LARGER PERCENTAGE OF DETENTIONS, ALMOST 90%, ALTHOUGH THEY ONLY ACCOUNT FOR 66% OF EXAMINATIONS PERFORMED.

WHETHER WE MEASURE BY DETENTION NUMBERS OR EXAMINATIONS, IT IS CLEAR THAT THESE VESSEL TYPES ACCOUNT FOR THE LION'S SHARE OF THE PSC EFFORTS IN THIS COUNTRY.

THE GOOD NEWS THOUGH IS THAT THE NUMBER OF DETENTIONS OVERALL IS DECREASING. OUR EFFORTS IN PORT STATE CONTROL HAVE SHOWN SHORT TERM SUCCESSES WHICH WE HOPE WILL BECOME LONG TERM TRENDS.

IN 1998, WE HAD 373 DETENTIONS, A 32% DECLINE IN OVERALL DETENTIONS FROM 1997 FIGURES AND THE FIRST TIME SINCE 1994 THAT IT WAS BELOW 400. RECENT NUMBERS INDICATE THAT THIS DOWNWARD TREND IS CONTINUING. THE NUMBER OF DETENTIONS FOR 1999 IS DOWN 31% FROM THE NUMBER OF DETENTIONS FOR 1998 - 257 DETENTIONS FOR 1999 COMPARED TO 373 FOR 1998.

EXACTLY WHY THESE NUMBERS ARE DECREASING IS UNCLEAR AT THIS POINT. PERHAPS THE REGIONAL PSC PROGRAMS THROUGHOUT THE WORLD ARE SUCCEEDING IN ELIMINATING SUBSTANDARD VESSELS AND OPERATORS. ALSO, I BELIEVE THAT THE ISM CODE HAS ALREADY HAD AN EFFECT ON THIS DOWNWARD TREND IN THE PREPARATION TO IMPLEMENT THE CODE. MORE TIME AND DATA WILL REVEAL THE FULL REASON.

TO FURTHER IMPROVE PORT STATE CONTROL INFORMATION ABOUT FLAGS, CLASS AND OWNERS, -TRANSPARENCY- THE COAST GUARD HAS AGREED TO PARTICIPATE IN THE EUROPEAN QUALITY SHIPPING INFORMATION SYSTEM (EQUASIS) EFFORT. EQUASIS IS A JOINT VENTURE BETWEEN THE EUROPEAN UNION, FRANCE, THE PARIS MOU, AND THE TOKYO MOU INITIATED TO PROVIDE A SINGLE SOURCE OF INFORMATION ON THE QUALITY OF COMMERCIAL SHIPPING TO THE PUBLIC. WHILE THIS INFORMATION WILL LIKELY PROVE TO BE EXTREMELY VALUABLE FOR ALL PSC PROGRAMS, WE WANT TO ENSURE THAT WE MAKE THE BEST USE OF THIS INFORMATION. THEREFORE, IT IS CRITICAL THAT WE DEVELOP WELL THOUGHT OUT POLICY BEFORE WE INTEGRATE THIS EXTERNAL DATA INTO OUR TARGETING MATRIX.

LAST WEEK AT THE 72ND MEETING OF THE IMO MARINE SAFETY COMMITTEE, THE U. S. EUROPEAN COMMISSION, FRANCE, BRITAIN, SINGAPORE, JAPAN, AND SPAIN SIGNED THE EQUASIS MOU. ROLL OUT IS TODAY. THE EFFECT WILL BE TO WIDEN AVAILABLE PSC DATA FOR OUR MATRIX.

WE ARE ALSO CONTINUING TO IMPROVE COOPERATION AND HARMONIZATION WITH OTHER PSC AUTHORITIES SUCH AS OUR RECENT EFFORTS WITH THE CARIBBEAN MOU AND TRANSPORT CANADA. INFORMATION ON VESSELS NOT IN COMPLIANCE WITH THE ISM CODE IS ALREADY BEING EXCHANGED WITH REGIONAL MOU'S AND EFFORTS ARE CONTINUING, TO INCREASE THE AMOUNT OF INFORMATION THAT IS EXCHANGED.

FINALLY, THROUGH THE IMO'S FLAG STATE IMPLEMENTATION (FSI) SUBCOMMITTEE MEETINGS, THE U.S. IS PARTICIPATING IN A INTER-SESSIONAL CORRESPONDENCE GROUP. THE OVERALL PURPOSE OF THE GROUP IS TO SEEK WAYS IN WHICH FLAG STATES CAN IMPROVE VARIOUS ASPECTS OF PSC. SOME AREAS UNDER CONSIDERATION INCLUDE: CONSOLIDATING THE REPORTING OF DETENTIONS BY THE MOU'S, ADOPTING COMMON CODING SYSTEMS FOR DEFICIENCIES, DETENTION DATA ANALYSIS, ETC. A STATUS REPORT WILL BE SUBMITTED AT THE NEXT FSI MEETING PRESENTLY SCHEDULED IN APRIL OF 2001. PORT STATE CONTROL TRAINING IS BEING OFFERED BY THE U. S. TO IMPROVE PORT STATE CONTROL EFFORTS WORLDWIDE.

OUR PORT STATE CONTROL PROGRAM HAS BEEN SUCCESSFUL AND WE PLAN TO MAKE SOME CHANGES TO OUR PROGRAM TO SHARPEN IT EVEN FURTHER. WE ARE LOOKING TO IMPLEMENT THREE ADDITIONAL MEASURES.

1ST. WE ARE DEVELOPING A PROGRAM TO IDENTIFY AND REWARD FOREIGN FLAG QUALITY SHIPS. WE WILL REDUCE COAST GUARD INSPECTIONS FOR QUALIFYING VESSELS AND WORK WITH OTHER STAKEHOLDERS TO DEVELOP OTHER INCENTIVES. IT WILL BE IMPLEMENTED IN JANUARY OF 2001. WHILE THE EXACT DETAILS HAVE NOT BEEN COMPLETELY FINALIZED, I WILL SHARE WITH YOU SOME OF THE AREAS THAT ARE BEING CONSIDERED. WE WELCOME ANY SUGGESTIONS YOU MIGHT HAVE ON THIS SUBJECT.

WHAT SHIPS WOULD QUALIFY FOR THESE INCENTIVES? HOW DO YOU DEFINE QUALITY?

WE WILL CONSIDER THE PERFORMANCE – BASICALLY LACK OF DETENTIONS OF THE OWNER, FLAG, CLASS, VESSEL PERFORMANCE HISTORY, AND DEGREE OF TRANSPARENCY OF FLAG STATE PERFORMANCE – FOR EXAMPLE – HAS THE VESSEL’S FLAG STATE SUBMITTED ITS SELF ASSESSMENT FORM TO IMO AND MADE IT AVAILABLE FOR REVIEW BY PORT STATE CONTROL AUTHORITIES?

WE BELIEVE THAT TRANSPARENCY IS AN IMPORTANT PILLAR OF QUALITY SHIPPING, AND INTEND TO REWARD THOSE FLAG STATES THAT COMPLETE THEIR SELF-ASSESSMENT OPENLY WITH THIS INCENTIVE. BASED ON PRELIMINARY RESEARCH, APPROXIMATELY 800 FOREIGN FLAG CARGO VESSELS AND 360 TANK VESSELS WOULD HAVE MET THIS CRITERIA OUT OF THE APPROXIMATELY 7,500 SHIPS WHICH CALLED IN U.S. WATERS LAST YEAR.

THE MOST TANGIBLE BENEFITS TO THE INDUSTRY BY BECOMING ELIGIBLE TO PARTICIPATE IN THIS QUALITY SHIP PROGRAM MIGHT INCLUDE:

- REDUCTION IN THE FREQUENCY OF EXAMS. AS YOU ARE AWARE, ALL FOREIGN FLAG CARGO VESSELS MUST UNDERGO AN ANNUAL PSC EXAM, IRRESPECTIVE OF THE VESSEL'S PERFORMANCE HISTORY. DESIGNATED QUALITY SHIPS VESSELS WOULD RECEIVE BIENNIAL EXAMS INSTEAD.

A SIMILAR APPROACH WILL BE TAKEN FOR OIL AND CHEMICAL TANKERS. RATHER THAN THE CURRENT ANNUAL TANKSHIP EXAMS, BIENNIAL EXAMS WILL OCCUR WITH A LESS THOROUGH RE-EXAM DONE ON AN ANNUAL BASIS. THIS WILL SAVE APPLICABLE COMPANY'S PRECIOUS TIME AND EFFORT AND WILL LIKEWISE ALLOW THE COAST GUARD TO FOCUS ITS EFFORTS ON HIGHER RISK VESSELS.

- STANDARDIZING U.S. ISSUED CERTIFICATES. CURRENTLY, PASSENGER VESSELS RECEIVE A CONTROL VERIFICATION EXAMINATION (CVE) CERTIFICATE UPON COMPLETION OF THE ANNUAL EXAM WHILE OIL TANKERS RECEIVE A TANK VESSEL EXAMINATION (TVE) LETTER AND GAS & CHEMICAL CARRIERS ARE ISSUED LETTERS OF COMPLIANCE (LOC). A NEW CONSOLIDATED CERTIFICATE OF COMPLIANCE (COC) WOULD REPLACE THESE VARIOUS LETTERS AND WOULD BE ISSUED TO EACH OF THESE VESSELS. THIS WOULD HOPEFULLY ERASE SOME OF THE CONFUSION WE NOW FIND WITHIN THE MARITIME INDUSTRY.

2ND. OUR IMPROVEMENT INVOLVES ADDING CHARTERERS AND/OR CARGO OWNERS AS A SIXTH COLUMN IN OUR TARGETING. WE ARE STUDYING THE ROLE OF CHARTERERS IN SUBSTANDARD SHIPPING, AND WILL DETERMINE THE FEASIBILITY OF IDENTIFYING CHARTERERS THAT ARE ASSOCIATED WITH MULTIPLE DETENTIONS. IF WE ARE SUCCESSFUL, WE'LL ALSO PUBLISH A LIST OF TARGETED CHARTERERS AND ENSURE THAT VESSELS THEY ARE ASSOCIATED WITH ARE BOARDED MORE FREQUENTLY IN THE FUTURE.

3RD. OUR NEW INITIATIVE IS CHANGING THE APPROACH WE TAKE IN DETERMINING TARGETED CLASSIFICATION SOCIETIES. CURRENTLY WE USE A THREE-YEAR ROLLING AVERAGE, BUT A WEIGHTED FORMULA IS BEING EVALUATED AS AN OPTION TO MODIFY THE CLASS SOCIETY EVALUATION. THIS METHOD CAN BE EMPLOYED TO IDENTIFY THOSE SOCIETIES THAT PERFORMED SIGNIFICANTLY WORSE THAN AVERAGE, AS OPPOSED TO THE CURRENT SYSTEM THAT IDENTIFIES THOSE SOCIETIES THAT ARE BELOW AVERAGE.

CONCLUSION

THE PSC PROGRAM THROUGHOUT THE WORLD REMAINS VERY DYNAMIC AND WE STRIVE TO KEEP OUR PSC PROGRAM IN STEP WITH THESE CHANGES. RECOGNITION OF QUALITY SHIPPING IS JUST ONE EXAMPLE OF THE OUR EFFORT TO KEEP OUR PSC PROGRAM FLEXIBLE AND RESPONSIVE TO THE MODERN CLIMATE OF INTERNATIONAL SHIPPING. YET, WE MUST CONTINUE TO REMAIN RESOLUTE IN OUR ENFORCEMENT OF THE INTERNATIONAL STANDARDS UPON VESSELS WHICH TRADE IN OUR WATERS.

SO, IN SUMMARY, WE SEE SIGNIFICANT PROGRESS TOWARD IMPROVED QUALITY OF SHIPPING AS INDICATED BY A REDUCTION IN PSC DETENTIONS, BUT ARE STILL NOT SATISFIED WITH THE NUMBER OF VESSELS WE FIND NON-COMPLIANT WITH INTERNATIONAL CONVENTIONS. ALL LINKS IN THE CHAIN OF RESPONSIBILITY MUST DO MORE TO AID IN FURTHER IMPROVEMENTS.

FROM THE PERSPECTIVE OF A PORT STATE WE SEE NUMEROUS OPPORTUNITIES TO IMPROVE COMPLIANCE AND QUALITY SHIPPING.

- INCREASING TRANSPARENCY BY PARTICIPATION IN EQUASIS;
- CREATING INCENTIVES FOR FLAG STATES TO COMPLETE AND SUBMIT SELF ASSESSMENTS TO IMO;
- CONTINUING THE STRONG EMPHASIS ON ISM AND STCW IMPLEMENTATION AND COMPLIANCE;
- CREATING INCENTIVES FOR QUALITY SUCH AS LESS PORT STATE EXAMINATIONS FOR VESSELS DEMONSTRATING QUALITY ALONG THE LINES OF PERFORMANCE AND TRANSPARENCY AND
- INCLUDING CHARTERERS IN THE PSC RISK ASSESSMENT.

I'D BE PLEASED TO TAKE YOUR QUESTIONS. THANK YOU.